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SUBJECT: PRESIDENT LAUNCHES NIGER DELTA MASTER PLAN

Classified By: Ambassdor John Campbell for Reasons 1.4 a, b and d

11. (SBU) Summary: In a high-profile, media event, President Obasanjo on March 27 launched the Niger Delta Regional Development Master Plan. The following day, March 28, the Minister of External Affairs hosted a breakfast with the diplomatic corps focused on the Delta. The President, in a widely reported speech at the launching, urged Nigerians "not to disrupt" the upcoming elections, that they be peaceful, and that his government would adhere rigorously to the law in carrying out the transition. With respect to the Plan specifically, much of the roll out consisted of Ministers reporting on what they had done recently in the Delta. At the External Affairs Minister's meeting with the diplomatic corps, she objected to the travel warnings issued by various governments, which she did not need to specify, with respect to the Delta, and others did some oil company bashing. But, at both events, most of the discussion of the security situation was sober. See beginning para 8 for comment. End summary.

12. (U) The President's March 28 launch of his Niger Delta Master Plan was attended by at least a thousand guests ) mandatory attendance by all of the Federal ministers, all of the Delta governors, the managing directors of the major oil companies and the Nigeria National petroleum Company (NNPC), the Niger Delta Development Commission (NDDC) and those diplomats representing countries with Delta investments. There was a bench of traditional rulers, and extensive press coverage. The Master Plan, a blueprint for sustainable development, envisages the spending of USD 50 billion over the next fifteen years in the Delta, with the NDDC playing a major role. The President and all of the speakers focused on the need for economic development to address Delta unrest. In addition to his comments on the upcoming elections, the President addressed Delta security issues, saying that those "who decide to live in crime will be dealt with adequately". But, he also held out hope for those militants who change their ways: "There will be genuine amnesty for those who turn a new leaf and hand over their weapons, but I will not give amnesty to somebody who will point a gun at the head of somebody."

13. (U) In his remarks, the President observed that this was the last time he would be convening the Council on Socio-Economic Development of the Coastal States of Nigeria, which he established fifteen months ago, at least in part in response to Delta violence. He said &If by the grace of God we have a Peoples Democratic Party President and Vice President in Aso Villa on May 29, what we are doing now will

be continued. That I can assure you. But to make that happen depends on you.<sup>8</sup>

¶4. (U) Ministers with significant Delta responsibilities reported to the President on their recent activities to benefit the region. For example, the Minister for Transport provided information on new road construction projects. The Chief of Defense Staff and the Inspector General of Police reported on the impressive results to recruit Delta indigenes into their respective services. The Ministers of Education and Health reported on the expansion of their specific facilities in the region. Taken together, the catalogue of projects over the past year sounded impressive.

¶5. (SBU) The entire diplomatic corps was invited to the Minister of External Affairs's March 28 breakfast. In her remarks, she identified three Delta challenges: accurate reporting of what is "really" happening in the Delta, the need for national and international partnerships to address the developmental challenges of the region, and the challenge of achieving sustainable development. She argued that the media exaggerated the amount of unrest in the Delta, which she characterized as mostly criminal rather than political, and said that developments did not warrant the travel warnings issued by various foreign governments. The PDP Vice Presidential Candidate and Bayelsa governor Goodluck Jonathan argued that the Delta crisis was the result of long-term neglect and the need for greater "economic skills"; he called for job-creation. Like other speakers, he ascribed militant activity to two groups: those "who want a better deal" and those who are criminals. The Federal government, he continued, was reaching out successfully to the first group.

¶6. (U) The Secretary to the Government of Bayelsa state, Godknows Igali, who has been involved in hostage

ABUJA 00000621 002 OF 002

SUBJECT: PRESIDENT LAUNCHES NIGER DELnd\IQ01AQuse their issues have not been addressed ) the militias are real." Alone amongst the government speakers over the two days, he acknowledged that MEND had a political agenda, and that its kidnappings had a specifically political goal: "They don't want money until they have already decided to release their hostages." He accused the oil companies of undercutting government efforts by paying ransom, and he urged foreign governments to exercise closer oversight over the Nigerian operations of "their" oil and gas companies.

7.(SBU) Other speakers, notably from NDDC and NNPC, called for the oil companies and foreign governments to engage in &capacity building<sup>8</sup> in the Delta and to increase local content and local employment in their operations. They emphasized the allegedly high profitability of the international energy companies operating in Nigeria.

¶8. (C) Comment: In a side conversation with the Ambassador, Igali acknowledged that the USG did not ever pay ransom. However, even when pressed by the Ambassador, he would not acknowledge that the state governments did. He placed the blame for ransom payment squarely on the oil companies. None of the speakers acknowledged that the majority of the oil/gas industry in Nigeria is owned by the state; the industry functions through partnership agreements with the oil that guarantee that the lion's share of the profits go to the Nigerian government.

¶9. (C) Comment, continued: Nevertheless, both events are evidence that the Federal government has been devoting serious attention to the Delta. If actually funded and implemented the specifics in The Master Plan could form the basis of a serious effort at coordinated, sustainable development. (Newspaper coverage of the rollout focused almost entirely on the President's comments about the upcoming elections ) perhaps because the Plan had not yet released to the press.) However, we are given pause by the prominent role envisaged for the NDDC, which manifestly lacks transparency and accountability and has failed in its

existing mandate to provide development in the Delta. It must be completely reformed or replaced if genuine development is to move forward. Especially at the Minister of External Affairs's breakfast, the dialogue was much more realistic than it has been in the past about the nature of Delta unrest. On balance, we agree with the President's statement that there is a basis for moving forward to address the ills of the Delta if there is sufficient political will.

CAMPBELL